



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 8, 2000

H.R. 4079

A bill to require the Comptroller General of the United States to conduct a comprehensive fraud audit of the Department of Education

*As ordered reported by the House Committee on Education and the Workforce
on May 25, 2000*

H.R. 4079 would direct the Comptroller General of the United States to conduct an audit of certain accounts at the Department of Education. Assuming appropriation of the necessary funds, CBO estimates that implementing the bill would cost about \$1 million in 2001. Because enactment of H.R. 4079 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

Based on information from the General Accounting Office (GAO), CBO estimates that the audit would cost between \$800,000 and \$1 million. Because the audit would have to be completed within six months of the bill's enactment, it would have a relatively restricted scope. It would be oriented toward the department's student financial aid programs and focus on specific areas that the GAO identifies as highly susceptible to errors. A preliminary review by GAO staff suggests that the limited audit would require about three full-time equivalent positions (for example, six employees working full time for six months) as well as some work by outside contractors.

H.R. 4079 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no effect on the budgets of state, local, or tribal governments.

The CBO staff contact is Paul Cullinan. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.